



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0500
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Title:	Specify the proceeds of riverbed rent
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Primary Sponsor:	Peterson, Jim
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Status:	As Amended
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 500 directs the deposit of the proceeds awarded to the state after the final judgment of the PPL Montana, LLC v. state of Montana for riverbed rent owed the state to the public school fund provided for in Article X, section 2, of the Montana constitution.

FISCAL ANALYSIS

Assumptions:

1. In PPL Montana, LLC v. State of Montana, compensatory damages for past use of the riverbeds have been awarded to the state based on a "net benefits" methodology.
2. The court awarded \$41 million plus 10% interest for compensatory damages in August 2008 (FY 2009). This one-time-only payment of approximately \$54.6 million is forecasted to be adjudicated and received in FY 2012.
3. On December 15, 2008, the state Board of Land Commissioners adopted a resolution directing the deposit of these one-time-only proceeds, including all post-judgment interest, into the state land bank fund established in section 77-2-362, MCA, which is part of the permanent fund.
4. This fiscal note assumes the final judgment will take place before January 1, 2012.
5. The revenue received from the one-time-only settlement of \$54.6 million is considered current law as directed by the Land Board in December 2008. Therefore, there is no fiscal impact in this fiscal note.

Sponsor's Initials

Date

Budget Director's Initials

Date